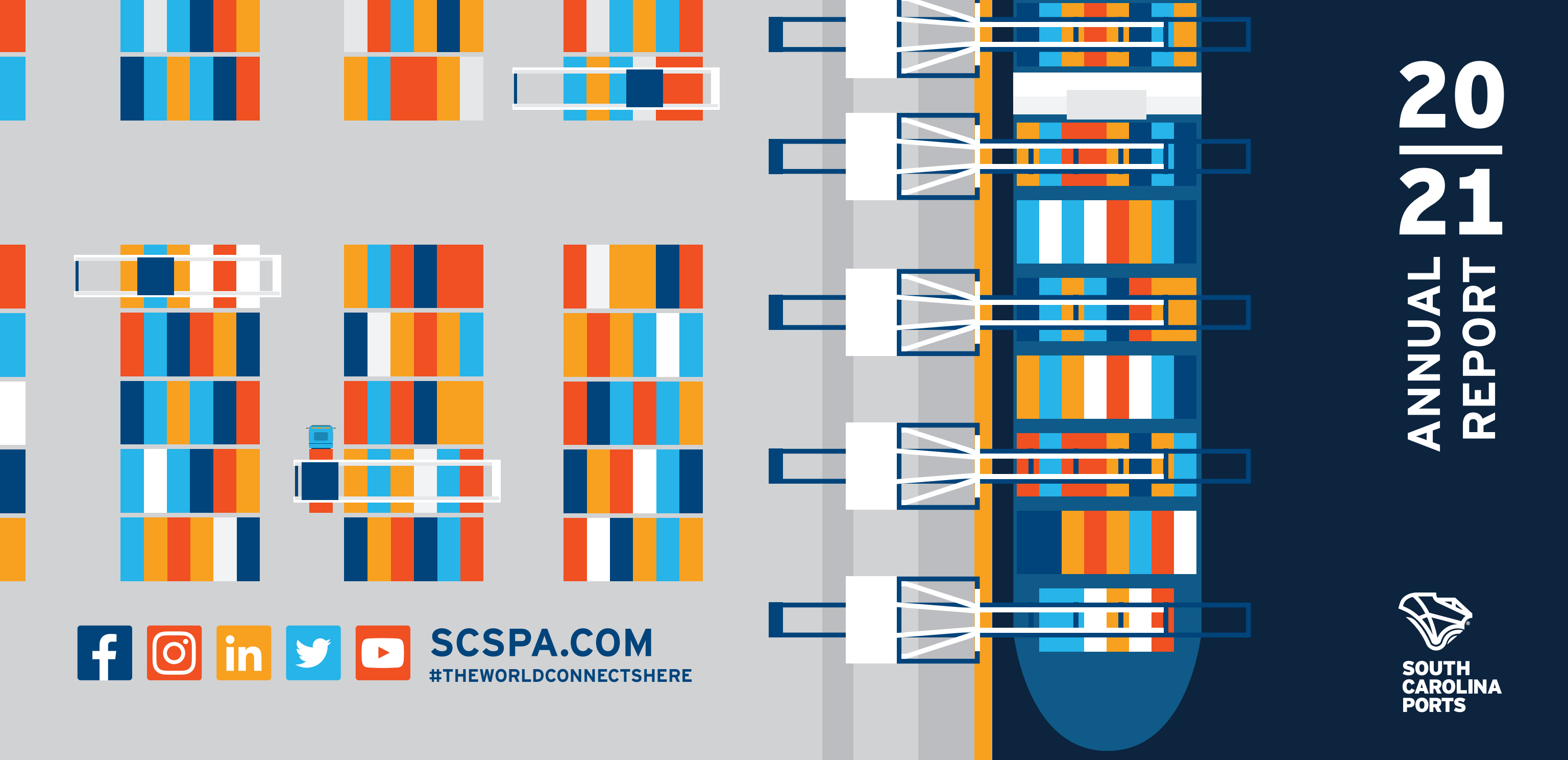




SCSPA.COM
#THEWORLDCONNECTSHERE



20 21 ANNUAL REPORT





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JIM NEWSOME

PRESIDENT & CEO

South Carolina Ports invested significantly in capacity in fiscal year 2021 to efficiently handle growing cargo volumes and rising retail imports, ensuring our global competitiveness for years to come.

In March 2021, SC Ports launched operations at the state-of-the-art Hugh K. Leatherman Terminal. The container terminal adds 700,000 twenty-foot equivalent units (TEUs) of capacity to the East Coast port market and enables the Port of Charleston to seamlessly handle a 20,000-TEU ship.

Leatherman Terminal is the only greenfield container terminal to open in the country since 2009 and the only new container terminal capacity planned in the U.S. until 2030.

SC Ports is also investing in existing infrastructure, including modernizing Wando Welch Terminal, expanding Inland Port Greer, and deploying new cargo-handling equipment to enhance efficiency and capabilities. We are preparing to launch a chassis pool in 2022 and are working with partners to achieve a 52-foot depth in Charleston Harbor in 2022.

This was all accomplished while dealing with a very constrained supply chain, brought on by the global pandemic. The initial dip in volumes was soon followed by an unprecedented import boom as consumers bought more retail goods.

SC Ports handled more containers than ever before in fiscal year 2021, moving 2.55 million TEUs, which is a 9.6% increase year-over-year. SC Ports saw 253,983 vehicles roll across the docks, while rail-served Inland Port Greer and Inland Port Dillon set cargo records with a combined 192,829 rail moves.

Our incredible port team, broader maritime community, and motor carrier and logistics partners made this possible by showing up every day to keep freight moving. We owe these essential workers immense gratitude for delivering vital goods to our communities and companies.

Amid great challenges in the supply chain, business is booming at SC Ports. We continue to move cargo for world-class companies, and we look forward to handling more goods for global retailers.

Our strategic investments attract business. We have invested \$2 billion in recent years to provide much-needed cargo capacity and big-ship capabilities. We are now working on the final pieces of our infrastructure plan to remain a top 10 U.S. container port.

To keep pace with the needs of our customers and to handle future cargo growth, it is imperative that we develop near-dock rail.

With the support of the SC Legislature, we will invest \$550 million into a dual-

served rail cargo yard and an inner-harbor barge to swiftly move more cargo for customers. The Navy Base Intermodal Facility will provide near-dock rail to Leatherman Terminal and increase our rail competitiveness with CSX and Norfolk Southern, while the barge will transport cargo between Wando Welch and Leatherman terminals.

The foresight to invest in infrastructure at the right time is critical to our success. South Carolina's economy depends on a fluid supply chain, and port operations support 1 in 10 jobs for South Carolinians.

Alongside our many partners, elected leaders and board members, SC Ports will endeavor to build on our momentum, creating lasting benefits for South Carolina.

Photography by English Purcell



@SCPORTS



BILL STERN

CHAIRMAN, SC PORTS BOARD OF DIRECTORS

SC Ports is South Carolina's
connection to the world.

Our advanced manufacturers rely on SC Ports to move parts, vehicles and tires as part of their global supply chains. South Carolina farmers depend on SC Ports to ship their agricultural products to overseas markets.

Mega retailers depend on SC Ports' efficient operations to stock their near-port distribution centers, especially now as imports of clothing and home goods surge to meet consumer demand.

SC Ports expertly meets the supply chain needs of businesses throughout the Southeast and beyond. Through great vision, leadership and partnership, SC Ports has significantly enhanced its infrastructure to ensure ample capacity for customers.

By investing more than \$2 billion in recent years, SC Ports has opened the Hugh K. Leatherman Terminal, modernized Wando Welch Terminal, launched two

rail-served inland ports, and purchased new cargo handling equipment and ship-to-shore cranes.

Charleston Harbor is also on track to be 52 feet deep in 2022, making it the deepest harbor on the East Coast. The project, fully funded by state and federal dollars, will give mega container ships access to the Port of Charleston at any tide.

These investments give SC Ports the capabilities to efficiently handle the unprecedented amount of cargo we're seeing today, as well as the ability to handle record-setting ships, like the 16,000-TEU CMA CGM MARCO POLO that called on SC Ports in May 2021.

As we continue to grow, it is crucial that we develop near-dock rail infrastructure to ensure the efficient movement of goods in our supply chain.

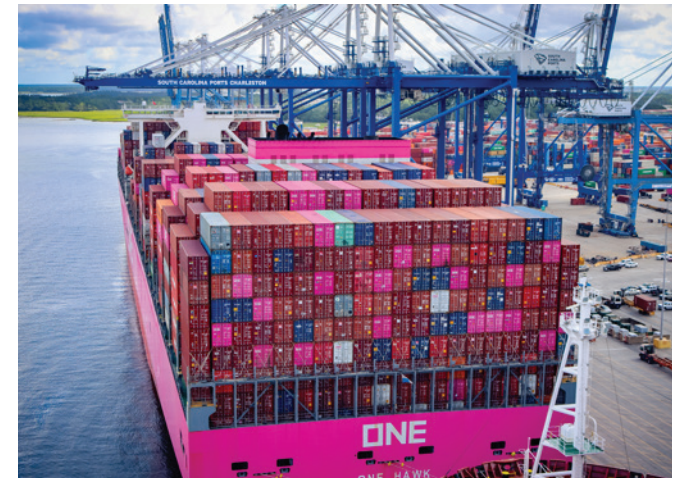
The SC General Assembly and Governor Henry McMaster recognized this need by including \$200 million of the \$550 million needed for SC Ports' Navy Base Intermodal Facility and inner-harbor barge in the 2021-22 fiscal year budget. This state funding is vitally important to the economic wellbeing of our state, and it will pay dividends for generations to come.

The Navy Base Intermodal Facility will be a cargo facility near Leatherman Terminal, served by both CSX and Norfolk Southern; the inner-harbor barge

operation will transport containers between Wando Welch and Leatherman terminals. These projects are designed to swiftly move goods to market.

We are grateful to Governor Henry McMaster, our Congressional delegation, the SC Legislature, business leaders, and our dedicated board members who continuously support the development of strategic port infrastructure.

Growth at SC Ports benefits South Carolina's economy and spurs job creation in our communities. We must work together to ensure South Carolina's supply chain remains fluid and capable. Our shared vision makes us successful.



Photograph by English Purcell

TIMELINE

2020

SEP 16

Awarded \$21.68 MM BUILD grant to assist with the Ridgeville Industrial Campus.

Photograph by Walter Lagarenne



OCT 26 & NOV 3

Received five new ship-to-shore cranes at Leatherman Terminal. ▲

2021

FEB 16 & FEB 26

Welcomed six hybrid RTG cranes to Leatherman Terminal and two STS cranes to Wando Welch Terminal.

Photograph by Walter Lagarenne



APR 9

Leatherman Terminal opened with the arrival of the first vessel, the Hapag-Lloyd Yorktown Express. ▲

Photograph by English Purcell



JUN 11

Northwest Grains broke ground on agriculture facility at Inland Port Dillon. ▲

JUL 17

Recognized among the 'Best Places to Work in South Carolina.'

SEP 21

Welcomed record-breaking 15,072-TEU CMA CGM BRAZIL. ▼

DEC 3

Walmart broke ground on South Carolina distribution center. ▼

DEC 11

Welcomed 15 new hybrid RTG cranes to Leatherman Terminal.

DEC 25

Three millionth BMW exported through the Port of Charleston aboard the Eukor "Morning Chant." ▼

MAR 30

Operations launched at Leatherman Terminal with the arrival of the first truck and container. ▼

APR 29

Announced expansion plans for Inland Port Greer.

MAY 19

Achieved 52' harbor depth at the Wando Welch Terminal.

MAY 28

Welcomed largest container ship to visit the East Coast, the 16,022-TEU CMA CGM MARCO POLO. ▼

JUN 15

E. & J. Gallo announced \$423 MM operation in Chester County.

JUN 29

SC General Assembly secured \$200 million for the Navy Base Intermodal Facility and inner-harbor barge operation.



Photograph by Marion Bull



Photograph by Stephen Blackmon



Photograph by English Purcell



Photograph by English Purcell



Photograph by English Purcell

OUR MISSION

South Carolina Ports Authority (SCPA) promotes, develops and facilitates waterborne commerce to meet the current and future needs of its customers, and for the economic benefit of the citizens and businesses of South Carolina.

South Carolina Governor
HENRY MCMASTER

BOARD OF
DIRECTORS

"Through well-planned, targeted investment, SC Ports has positioned itself as a top driver of South Carolina's economy. Their investments have attracted world-class companies to South Carolina while providing the infrastructure needed for our existing businesses to thrive. The prosperity of SC Ports coincides with the prosperity of South Carolina, and we look forward to their continued growth."



BILL STERN

Chairman



DAVE POSEK

Vice Chairman



KURT GRINDSTAFF

Treasurer



WILLIE "COACH" JEFFRIES

Secretary



PAM LACKEY



WHIT SMITH



WES JONES



KENNY JACKSON



MARK BUYCK

LEADERSHIP

SC Ports has a diverse and experienced leadership team that oversees the fulfilling of its mission to promote, develop and facilitate waterborne commerce by delivering cost competitive facilities and services, collaborating with customers and stakeholders, and sustaining financial self-sufficiency.

SENIOR LEADERSHIP

**JIM NEWSOME**

President and CEO

**BARBARA MELVIN**

Chief Operating Officer

**PHIL PADGETT**

Chief Financial Officer

**BEVERLY COWART**

SVP Talent Solutions

**JORDI YARBROUGH**SVP Community Engagement
& Secretary to the Board**MICAH MALLACE**

SVP Marketing & Sales

**PAUL MCCLINTOCK**

SVP Export Projects

SENIOR DIRECTORS

**BRENT SIMON**Senior Director,
Chief of Port Police**JOEL BRITT**Senior Director,
Operations**MIKE STRESEMANN**Senior Director, Crane &
Equipment Maintenance**STEVE KEMP**Senior Director, Intermodal,
Chassis, & Operations Projects**STEVE RAUCH**Senior Director,
Information Technology**WALTER LAGARENNE**Senior Director,
Engineering & Facilities

"The ability to keep freight moving would not be possible without a truly great team. SC Ports provides efficient operations and great port infrastructure to keep the supply chain fluid."

**BILL STERN**
Chairman, SC Ports

FINANCIALS

JUNE 30, 2021 & 2020
IN THOUSANDS

CONDENSED STATEMENTS OF NET POSITION

ASSETS	FY2021	FY2020
Current	\$ 509,582	\$ 729,782
Non-Current assets and investments	1,792,384	1,608,871
Total Assets	2,301,966	2,338,653
Deferred Outflows of Resources	74,615	60,007
Total Assets and Deferred Outflows of Resources	\$2,376,581	\$ 2,398,660

LIABILITIES	FY2021	FY2020
Current	\$ 94,460	\$ 107,161
Long-term debt	1,563,080	1,542,780
Total Liabilities	1,657,540	1,649,941
Deferred Inflows of Resources	3,530	4,757
Total Liabilities and Deferred Inflows of Resources	\$ 1,661,070	\$ 1,654,698

NET POSITION	FY2021	FY2020
Invested in capital assets, net of debt	\$ 521,164	\$ 548,444
Restricted for debt service, net of debt	35,774	36,173
Unrestricted	158,573	159,345
Total Net Position	715,511	743,962
Total Liabilities, Deferred Inflows of Resources & Net Position	\$ 2,376,581	\$ 2,398,660

CONDENSED STATEMENTS OF

REVENUES / EXPENSES / CHANGES IN NET POSITION	FY2021	FY2020
Operating revenues	\$ 312,772	\$ 292,256
Operating expenses	275,730	264,841
Operating income	37,042	27,415
Nonoperating (expense) income, net	(66,983)	(140,118)
Excess revenues over expenses before capital contributions	(29,941)	(112,703)
Capital contributions and special items	1,490	164
Change in net position	(28,451)	(112,539)
BEGINNING OF YEAR	743,962	856,501
END OF YEAR	\$ 715,511	\$ 743,962

CASH FLOWS	FY2021	FY2020
Cash flows from operating activities	\$ 114,019	\$ 88,680
Cash flows from investing activities	(14,465)	49,872
Cash flows from noncapital financing activities	6,915	(122,793)
Cash flows from capital and related financing activities	(332,423)	116,297
Net change in cash and cash equivalents	(225,954)	132,056
BEGINNING OF YEAR	\$ 670,574	\$ 538,518
END OF YEAR	\$ 444,620	\$ 670,574

ECONOMIC IMPACT

SOUTH CAROLINA

\$63.4 billion annual economic impact
1 in 10 SC jobs created by SC Ports
\$1.1 billion in annual tax revenue

UPSTATE

Economic Impact: \$32.8 billion
Total Jobs: 116,561
Labor Income: \$6.6 billion
Percentage of Total Impact: 51.8%

PEE DEE

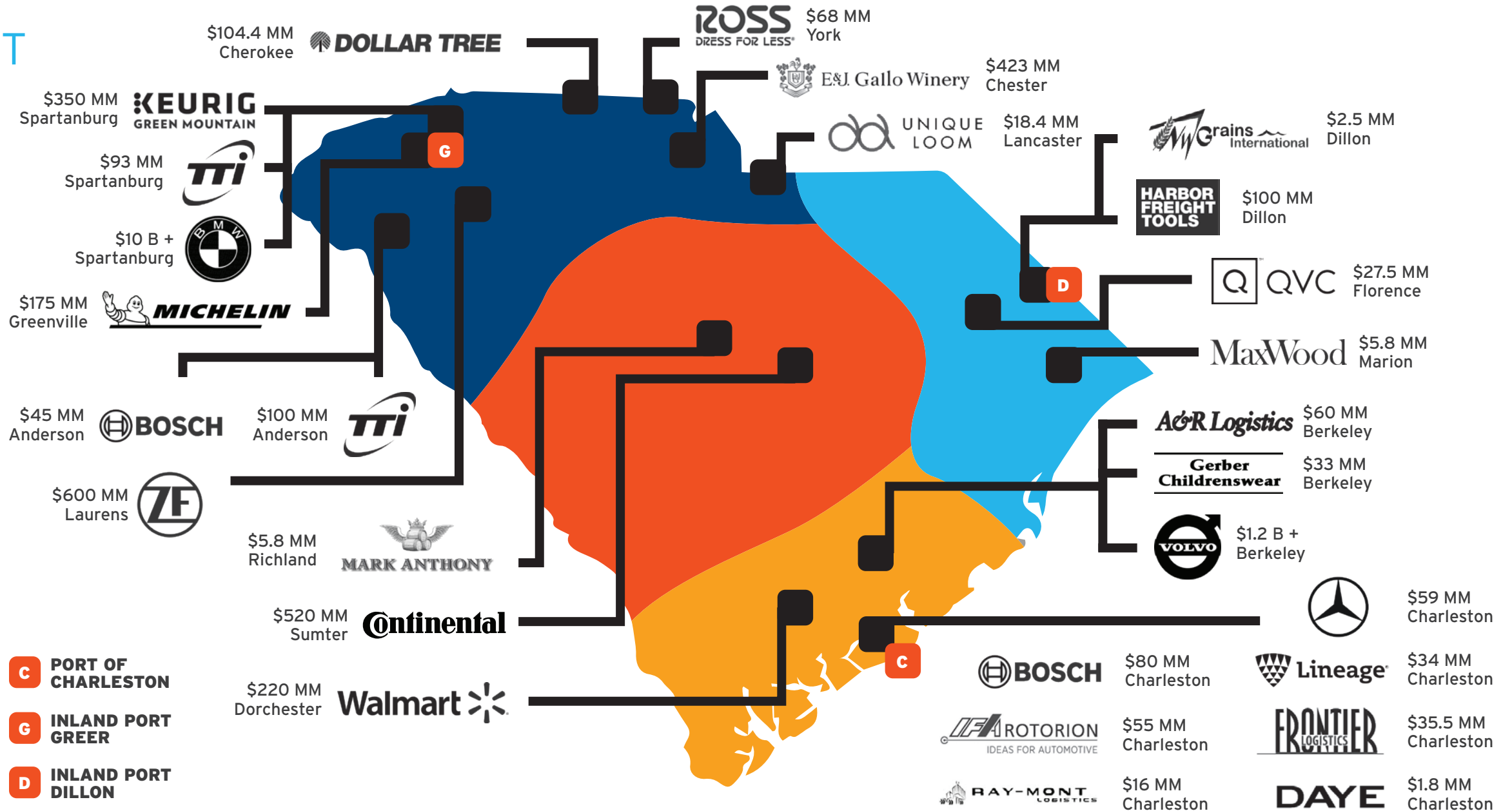
Economic Impact: \$7.1 billion
Total Jobs: 25,275
Labor Income: \$1.4 billion
Percentage of Total Impact: 11.3%

MIDLANDS

Economic Impact: \$15.5 billion
Total Jobs: 55,346
Labor Income: \$3.1 billion
Percentage of Total Impact: 24.6%

LOWCOUNTRY

Economic Impact: \$7.8 billion
Total Jobs: 27,781
Labor Income: \$1.5 billion
Percentage of Total Impact: 12.3%

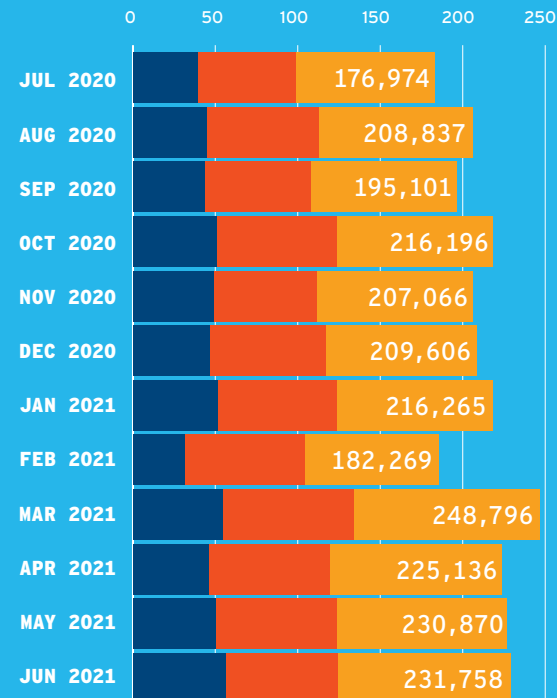


ANNUAL VOLUME

Annual TEU Volume in Thousands

SC Ports celebrated its strongest fiscal year on record for containers handled at the Port of Charleston. SC Ports handled an unanticipated boom in imports as consumers' buying habits shifted during the pandemic from services to retail goods.

MONTHLY TEU VOLUME



2,548,873

TEUs (Twenty-Foot Equivalent Units)

807,520

Breakbulk Cargo Tonnage

192,829

Rail Lifts

253,983

Finished Vehicles

0

Cruise Passengers*

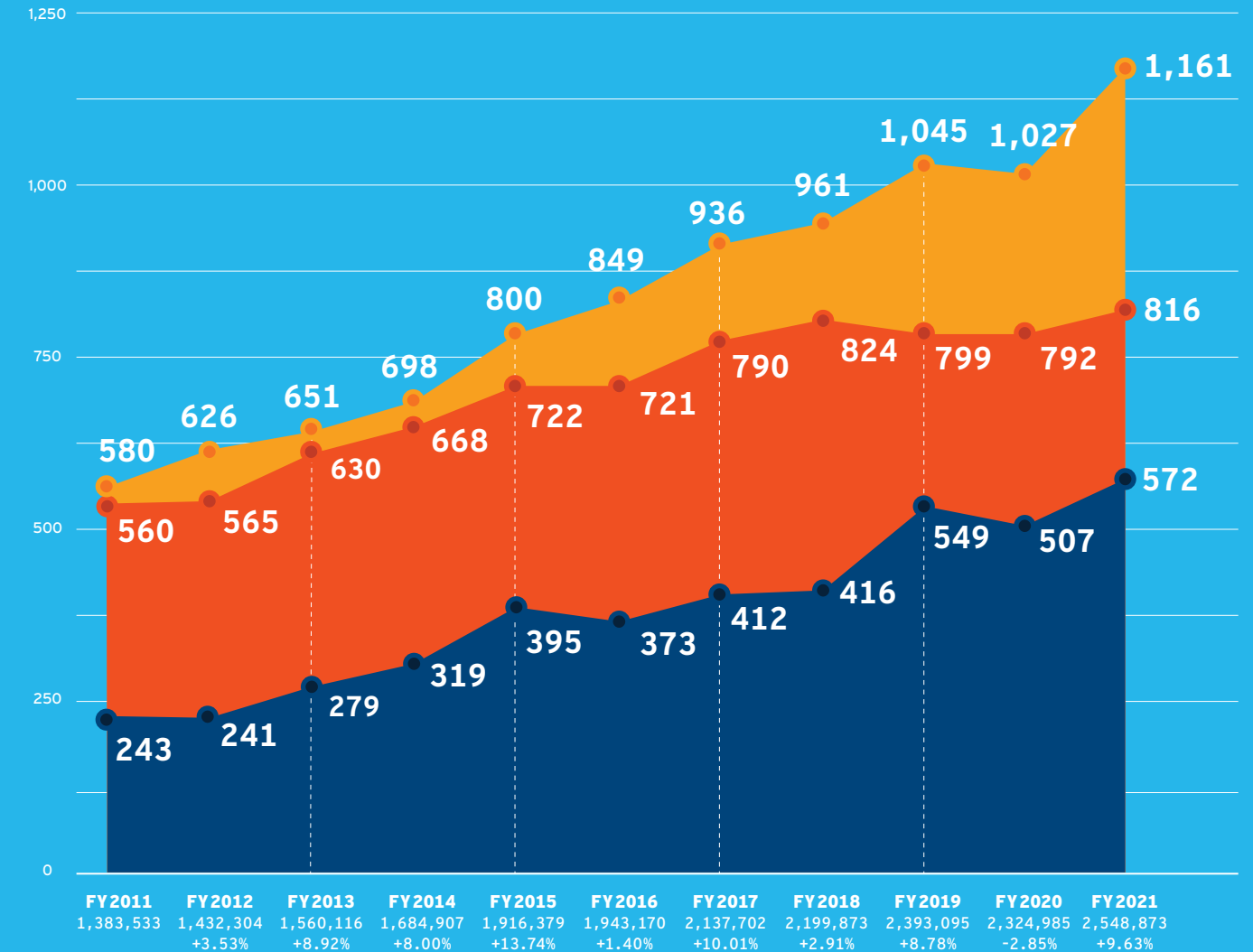
*Cruise operations were voluntarily paused industry-wide in response to the COVID-19 pandemic.

EMPTY

EXPORTS

IMPORTS

YEAR-OVER-YEAR TEU VOLUME



INVESTING IN CAPACITY

Investing more than \$2 billion
in SC Ports infrastructure

SC Ports has invested more than \$2 billion in recent years to enhance port infrastructure as bigger ships and more cargo comes to the Port of Charleston. SC Ports is realizing major infrastructure projects at the right time, most notably with the opening of Hugh K. Leatherman Terminal's \$1 billion Phase One. In fiscal year 2021, SC Ports invested more than \$289 million to increase capabilities and capacity.



01 LEATHERMAN TERMINAL \$240 MILLION

Leatherman Terminal launched operations in March 2021, signifying the first container terminal to open in the U.S. since 2009. Phase One has 700,000 TEUs of annual capacity, a 1,400-foot berth, five ship-to-shore cranes with 169 feet of lift height above the wharf deck, 25 hybrid rubber-tired gantry cranes and an expansive container yard – all of which adds much-needed capacity to the East Coast. At full buildout, the three-berth terminal will have 2.4 million TEUs of annual throughput capacity.

(Above) Largest vessel to call Leatherman Terminal, the OOCL Brussels.



02 WANDO WELCH TERMINAL \$35 MILLION

Work continued to modernize Wando Welch Terminal to handle record cargo volumes and mega container ships. Two new ship-to-shore cranes arrived in fiscal year 2021. The full renovation will yield 15 ship-to-shore cranes with 155 feet of lift height, 65 rubber-tired gantry cranes, a stronger wharf, and a more efficient terminal with 2.4 million TEUs of annual throughput capacity.

(Above) Arrival of STS cranes, Photograph by Walter Lagarenne.



03 OTHER INVESTMENTS \$14 MILLION

SC Ports made additional investments to handle more cargo and optimize operations, including launching a new terminal operating system, upgrading equipment and expanding Inland Port Greer. New port-related infrastructure is also underway in the Ridgeville Industrial Campus for Walmart's nearly 3-million-square-foot distribution center.

(Above) Inland Port Greer, Photograph by Craig Lee.

HUGH K. LEATHERMAN TERMINAL

SC Ports celebrated the momentous opening of Hugh K. Leatherman Terminal in March 2021.



(Above) OOCL Brussels, April 2021.
(Right) Hugh K. Leatherman Terminal construction progress. Photography by:
2016 - 2018: Holy City Helicopters
2019 - 2020: Walter Lagarenne

SC Ports is the only port in the country to open a greenfield container terminal in more than a decade, and the opening came at the perfect time. Phase One of the Leatherman Terminal adds 700,000 TEUs of capacity and an additional berth to the booming East Coast port market.

Cargo owners benefit from Leatherman Terminal's ample cargo capacity and the ability to handle a 20,000-TEU vessel, which significantly strengthens the Southeast supply chain.

The story of Leatherman Terminal began in 2003 when permits were filed to build a container terminal along the Cooper River in North

Charleston, S.C. Extensive site work began in 2007, continuing until site development and construction kicked off in 2018.

Hundreds of engineers and contractors had to collaborate every day to transform the former Navy Base site into a world-class container terminal. Building the \$1 billion port operation was like building a small city.

Phase One of the Leatherman Terminal now has a 1,400-foot berth with five ship-to-shore cranes that boast 169 feet of lift height above the wharf deck and 228 feet of outreach. The expansive container yard has 25 hybrid rubber-tired gantry cranes,

eight empty container handlers and a refrigerated container yard.

The terminal has modern buildings for Maintenance, Terminal Operations and Vessel Operations; a new terminal operating system; and a complete road system, including a roundabout and dedicated Port Access Road to allow for quick access to the terminal.

The impressive project was completed on budget and on time, marking one of the state's biggest and most significant economic development projects to date. Leatherman Terminal welcomed its first vessel, the Hapag-Lloyd Yorktown Express, in April 2021.

Leatherman Terminal's state-of-the-art design, capabilities and equipment sets South Carolina apart in terms of port competitiveness, and its economic impact will be felt by communities and businesses for decades to come. Tomorrow is here at SC Ports.



2016

2018

2019

2020

2021

DELIVERING ESSENTIAL INFRASTRUCTURE

Following the successful delivery of just-in-time terminal capacity, SC Ports plans to develop near-dock rail infrastructure and an inner-harbor barge operation to ensure fluidity and capacity in the supply chain.

SC Ports has invested more than \$2 billion in world-class port infrastructure to handle the influx of cargo volumes and retail imports moving through the Port of Charleston. Phase One of Hugh K. Leatherman Terminal launched operations in March 2021; modernization of Wando Welch Terminal is ongoing; and Inland Ports Greer and Dillon successfully move cargo to and from the Port of Charleston via rail.

SC Ports must continue to deliver vital port infrastructure to meet the needs of customers and efficiently handle growing cargo volumes.

With the support of the SC Legislature, SC Ports looks to invest \$550 million to develop a near-dock, rail-served cargo yard and an inner-harbor barge operation.

SC Ports' Navy Base Intermodal Facility will provide near-dock rail to Leatherman Terminal; containers will be trucked between the facilities on a 1-mile restricted drayage road. CSX and Norfolk Southern will serve the Navy Base Intermodal Facility, swiftly moving cargo for customers and greatly increasing rail and port competitiveness.

SC Ports is the only major container port on the East Coast without near-dock rail. This crucial infrastructure will ensure critically needed capacity for the Southeast supply chain.

SC Ports' inner-harbor barge will move containers between Wando Welch Terminal and Leatherman Terminal; this operation addresses capacity shortages in trucking as more cargo flows through the Port of Charleston.

The SC Legislature and Governor Henry McMaster took a significant step toward realizing these important projects in the 2021-2022 fiscal year budget by including \$200 million of the \$550 million needed for the Navy Base Intermodal Facility and inner-harbor barge operation.

These projects will round out SC Ports' major infrastructure investments – a crucial step for continued port growth.



JIM NEWSOME
CEO, SC Ports

"We are thankful to our state leaders for their visionary leadership and support. Strategic investments in port infrastructure are crucial to remain competitive as a port and as a state."

HARBOR DEEPENING

The Charleston Harbor Deepening Project achieved a significant milestone in May 2021 by reaching 52' in the Wando River in front of Wando Welch Terminal.

Additionally, the widening of the Wando River turning basin from 1,400 feet to 1,615 feet allows for mega container ships to turn within the basin while a large vessel is in berth. When the project is fully completed in 2022, Charleston will have the deepest harbor on the East Coast at 52 feet, capable of seamlessly handling fully loaded mega container ships at any time, any tide.

SENATOR LARRY GROOMS

Chairman of the SC Senate Transportation Committee and the Review and Oversight Commission on the State Ports Authority

"The pandemic showed us the importance of having a world-class port and efficient supply chain in South Carolina. As more goods flow through the Port of Charleston than ever before, we see the foresight behind deepening Charleston Harbor to 52 feet and building port infrastructure to handle more cargo and bigger ships. Running a top 10 U.S. container port requires strategic infrastructure investments, which ultimately brings great value to our state's economy."

"The Charleston Harbor Deepening Project made significant strides in fiscal year 2021 and is on track to achieve a 52-foot depth in Charleston Harbor in 2022. The ongoing success of a project of this scale is a great testament to our team at the U.S. Army Corps of Engineers, Charleston District, the vision of SC Ports and the cooperation of elected leaders."

LT. COL. ANDREW JOHANNES

District Commander
U.S. Army Corps of Engineers, Charleston District



ENVIRONMENT

- Second year of monitoring the restored 22 acres of salt marsh on the southern tip of Drum Island.
- Implementing two Diesel Emissions Reduction Act grants, resulting in air emission reductions in the Lowcountry and Upstate.
- Record year-over-year growth of 11.71% at SC Ports' inland ports in Greer and Dillon, S.C., further reducing truck emissions throughout the state.
- Developing an inner-harbor barge operation between Wando Welch and Leatherman terminals, reducing emissions.
- Deployed 25 hybrid rubber-tired gantry cranes at Leatherman Terminal; upgrading the engines of 12 RTG cranes at Wando Welch Terminal with hybrid battery/genset engine systems.
- SC Ports maintains two continuous air quality monitors at Union Pier and Leatherman terminals.
- Funding \$100,000 towards the SC Coastal Bird Conservation Program, which was established in part for the re-nourishment of Crab Bank Seabird Sanctuary using dredged material from the deepening of Charleston Harbor.

Photographs by English Purcell

COMMUNITY ENGAGEMENT

COMMUNITY GIVING FY21

The program provides grants to organizations in regions where SC Ports operates with the goal of positively impacting maritime commerce, economic development, environmental awareness, community outreach, education and workforce development efforts. With one in eight people and one in six children struggling with hunger in South Carolina, SC Ports focused much of its community efforts this year on addressing food insecurity. Many of this year's Community Giving Program grant recipients – such as Fresh Future Farm, Fields to Families, East Cooper Meals on Wheels and The Green Heart Project – work to fight hunger and address food deserts by providing meals, urban gardens and affordable healthy grocery options in their communities.



\$61K

awarded to
55 charitable
organizations
in FY2021.



47,410

SC students
benefited from
Community
Giving grants.



12,677

SC students
participated in
S.T.E.A.M.
activities.



9,567

families
received
direct disaster
assistance.



3,435

people were
educated about
environmental
sustainability.

NAME THE CRANES

Students from around the Lowcountry have named South Carolina Ports' five ship-to-shore cranes at the Hugh K. Leatherman Terminal. The winners represent five schools and four municipalities, including two schools in North Charleston, which is where Leatherman Terminal is located.

CONTEST WINNERS

Nifty Lifty

Named by Promise Washington
3rd Grade Student
North Charleston Elementary
Teacher Heidi Hocking

Sir Lift-A-Lot

Named by Rashard Davis
5th Grade Student
Fort Dorchester Elementary
Teacher Jennifer Veloso

No Crane No Gain

Named by Jaden Warren
5th Grade Student
Drayton Hall Elementary
Teacher Shantequa McGill

South Craneolina

Named by Corbin Pritchard
5th Grade Student
Westview Elementary
Teacher Lindsey Bronzino

The Reel Steel

Named by Noah Cowell
5th Grade Student
Bowen's Corner Elementary
Teacher Kelee Beckwith





Photograph by English Purcell

**JIM NEWSOME**
CEO, SC Ports

"We are so grateful to the SC Ports team for working tirelessly and creatively to remain fully operational and keep freight moving throughout the global pandemic."

STRATEGIC GOALS

1. Excellence in Operations
2. Timely Infrastructure and Capacity
3. Cargo Base Expansion
4. Intermodal Rail Development
5. Talented Human Capital
6. Thought Leadership

STRATEGIC GOALS AND VALUES

Our strategic goals connect our mission, vision and values with the keys for success that will take us to the next level of our journey as a port and economic leader in the state of South Carolina. Our leadership team has developed a plan with clear goals focused on cargo base development, talent and efficiency, and infrastructure investment. This strategy embraces the importance of thought leadership across our organization and the value of nurturing and growing our stakeholder relationships within our community, state and industry.

